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Army Regulation 5-XX

SUMMARY of CHANGE

AR 5-xx
Management of Army Enterprise Transformation

This new regulation dated 30 September 2004-

- Provides detail on Secretary of the Army Memorandum, Army Enterprise Transformation Governance (Reference 2), Management of Army Enterprise Transformation.

- Establishes the management structure that governs the integration of Army enterprise solutions across the Army Domains to improve support to the Joint Warfighter and better bridge the operational and institutional Army.

- Addresses the role of the management structure in the definition, implementation, and oversight of:

  a. Transformation of Army Business Operations.

  b. Alignment of Business Transformation with Army Transformation to the Future Force to produce a holistic Army Enterprise Transformation.

  c. Establishment of Army Business Enterprise Architecture (BEA).

  d. Conduct of Portfolio Management.

  e. Compliance with the Business Management Modernization Program (BMMP).

- Addresses policies and responsibilities to achieve an integrated, Army-wide, end-to-end solutions that support the Army’s vision for fielding and maintaining a relevant and ready force.

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Headquarters
Department of the Army
Washington, DC
30 September 2004

Department of the Army
AR 5-xx
DRAFT

Management

Management of Army Enterprise Transformation

By order of the Secretary of the Army:
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General, United States Army
Chief of Staff

Official:

JOEL B. HUDSON
Administrative Assistant to the Secretary of the Army

History. This publication is a new Department of the Army pamphlet.

Summary.
This regulation the process by which the Army will manage its continual Transformation to the Future Force; it is to be used with Army Regulation (AR) 5-xx, Management of Army Enterprise Transformation.

Applicability. The following procedures apply to HQDA, its field operating agencies (FOAs), major commands (MACOMS), and all other Army agencies or commands that define, design, implement, operate, or use business processes, information, and systems within their organizations. It applies to Active Army, Army National Guard (ARNG), U.S. Army Reserve, and organizations, systems, and services that support enterprise solutions across the Army and among Department of Defense (DoD) the Army, and other external organizations. Mission Area (MA) Leads, Domain Owners, Program Executive Officers, Program Managers, Architects, and the Army Enterprise Integration Oversight Office (AEIOO) will apply the Enterprise Transformation Framework in the execution and evaluation of Army Enterprise Transformation.

Proponent and exception authority.
The Director, AEIOO is the proponent of this pamphlet. The proponent has the authority to approve exceptions to this pamphlet that are consistent with controlling law and pamphlet. The proponent may delegate the approval authority, in writing, to a manager or supervisor (who holds the grade of Colonel or the civilian equivalent) under their supervision within the proponent agency.

Supplementation.
Supplementation of this pamphlet and the establishment of command and/or local forms are prohibited without prior approval from the:

Office of the Administrative Assistant to the Secretary of the Army,
ATTN: SAAA–SO,130 Army Pentagon, Washington DC 20310–0130.

Suggested improvements. Users are invited to send comments and suggested improvements on Department of the Army Form 2028 (Recommended Changes to Publications and Blank Forms) directly to the:

Office of the Administrative Assistant to the Secretary of the Army,
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Distribution.
Distribution of this publication is available in electronic media only and is intended for command levels C, D, and E for the Active Army, the Army National Guard of the United States, and the U.S. Army Reserve.

Document Retention.
All documents generated as a result of this pamphlet should be labeled as such and retained in accordance with AR 25-400-2, The Army Records Information Management System (ARIMS).

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Headquarters
Department of the Army
Washington, DC
September 2004

Management

Management of Army Enterprise Transformation

Introduction

Applicability. The following implementation procedures apply to Headquarters Department of the Army (HQDA), its field operating agencies (FOAs), major commands (MACOMS), and all other Army agencies or commands that define, design, implement, operate, or use business processes, information, and systems within their organizations. It applies to Active Army, United States Army Reserve, Army National Guard (ARNG), and organizations, systems, and services that support enterprise solutions across the Army and among Department of Defense (DoD), the Army, and other external organizations.

Proponent and exception authority. The Army Enterprise Integration Oversight Office (AEIOO) is the proponent of this regulation. The AEIOO has the authority to approve exceptions to this regulation that are consistent with controlling law and regulation.

1-1. Purpose

This regulation establishes the management structure that governs the integration of Army enterprise solutions across the Army Domains to improve support to the Joint Warfighter and better bridge the operational and institutional Army. It addresses the role of AEIOO and HQDA, FOAs, MACOMs, and other Army agencies and commands in the definition, implementation, and oversight of:

a. Transformation of Army Business Operations.
b. Alignment of Business Transformation with Army Transformation to the Future Force to produce a holistic Army Enterprise Transformation.
c. Establishment of Army Business Enterprise Architecture (BEA).
d. Conduct of Portfolio Management.
e. Compliance with the Business Management Modernization Program (BMMP).

This document addresses policies and responsibilities to achieve integrated, Army-wide, end-to-end solutions that support the Army's vision for fielding and maintaining a relevant and ready force.

1-2. References

Required and related publications and references are listed in Appendix A.

1-3. Explanation of Terms

Abbreviations and special terms used in this regulation are listed in Appendix B and C.

1-4. Background

a. Transformation to the Future Force.

The Army's implementation will transform to a lighter, faster, more lethal force that is highly modular, and sustainable and the Army's aggressive move towards the Future Force has spearheaded the development of blueprints (architectures) to prescribe the integration of Army warfighting capability into a joint force. As a critical component of the Army Enterprise, it is essential that business operations that support the warfighter are horizontally integrated and bridge the institutional and operational Army. Business operations encompass all the human and fiscal resources, processes, systems, and materiel that provide the means for warfighters to train for and conduct combat and contingency operations. Transforming business operations impacts interfaces and interoperability with the other Services, DoD, and other external organizations. To ensure information technology (IT) investments are managed in an integrated fashion as outlined in Management Initiative Decision 918R, Information Technology (IT) Portfolio Governance and

Management, 23 April 2004 (DRAFT) and AR 25-1, Information Management, 31 May 2002. The Office of the Secretary of Defense (OSD) recently identified governance responsibilities in four Mission Areas: Warfighter, Business, Enterprise Information Environment, and the Department of Defense (DoD) portion of National Intelligence. These responsibilities were further segmented into Domains in Table 1. Table 2 identifies the Mission Area (MA) Domains and the Principal Functional Responsibilities associated with the domain.

Table 1-1
OSD Mission Area and Domain Responsibilities

Mission Area	OSD Mission Area Lead	Army Mission Area Lead	Domain	OSD Domain Owner	Army Domain Owner	Army Domain Executive
Warfighter	CJCS	G-3				
			Battlespace Awareness	J-2	G-2	G-2
			Force Applications	J-8	G-8	G-8
			Protection	J-8	G-8	G-8
			Focused Logistics	J-4	G-4	G-4
			Battlespace Communications Systems	J-6	CIO/G-6	CIO/G-6
Business (aka BMMP)	USD(C) / CFO	ASA(FM&C)				
			Acquisition	USD(AT&L)	ASA(ALT)	SAAL-ZR
			Accounting and Finance	USD(C)	ASA(FM&C)	G-8
			Human Resources Management	USD(P&R)	ASA(M&RA)	G-1
			Logistics	USD(AT&L)	ASA(ALT))	G-4
			Installations and Environment	USD(AT&L)	ASA(I&E)	ACSIM
Enterprise Information Environment*	ASD(NII)	CIO/G-6				
			Communications	ASD(NII)	CIO/G-6	CIO/G-6
			Computing Infrastructure	ASD(NII)	CIO/G-6	CIO/G-6
			Core Enterprise Services	ASD(NII)	CIO/G-6	CIO/G-6
DoD Portion of National Intelligence	USD(I)	G-2	Not yet established			

*Formerly known as Technical Infrastructure

b. Army Business Transformation.
The Secretary of Defense originally established the BMMP to develop a BEA to serve as a blueprint for how business processes and systems will interact and to direct business modernization efforts of financial or non-financial (feeder) systems. He placed it under the OSD Comptroller (OSD(C)) and Chief Information Officer (CIO). The OSD(C) established a governance structure that segments business operations into Domains, and identified Domain Owners and their responsibilities. When OSD later set governance requirements for the four Mission Areas identified in Table 1, the Business Mission Area incorporated the Domains designated by the OSD(C) for BMMP.

Table 1-2
Mission Area Domains by Principal Functional Responsibilities

Mission Area Domains	Principal Functional Responsibilities
Logistics	Logistics, Transportation, Industrial Preparedness, Security Assistance and Armaments Cooperation
Strategic Planning and Budgeting	Financial Management, Resource, Requirements and Assessments
Human Resources Management	Civilian Personnel and Readiness, Military Personnel and Readiness, Health & Medical, Human Resources, Inspector General, Reserve Components, Legal, Administration, Religious, Training and Education
Acquisition	Acquisition, Technology Procurement, Test and Evaluation, Science and Engineering, Modeling and Simulation
Accounting and Finance	Financial Management of Appropriated and Nonappropriated funds, Comptroller Functions, Security Assistance Programs, Program Planning Budget and Execution, and the Army Budget
Installations and Environment	Installation support, Real Property Acquisition, Chemical and Biological Agent Destruction, Environmental and Occupational Health

c. Initial phases.
BMMP has made significant progress and the Army must build on that momentum to effectively align Army business and warfighter transformation. The Army's strategy for business transformation is aligned with warfighter transformation and BMMP. The strategy delegates implementation authority, responsibility, and accountability to the Business Domains for their respective functional areas. The Army Business Domains are:

(1) Accounting and Finance
(2) Acquisition
(3) Human Resources Management
(4) Installations and Environment
(5) Logistics
(6) Strategic Planning and Budgeting

d. The Warfighting Mission Area.
Training and Doctrine Command (TRADOC), as the Army's Operational Architect, translates joint operating and functional concepts into warfighting capabilities for the transformation of the Army's Operating Forces. Responsibilities include integrating operational architectures, synchronizing experimentation and developing future force DOTMLPF required capabilities. The Commander, TRADOC is the functional proponent for Army Battle Command and is defining the Army Battle Command Operational Architecture. The Assignment of Warfighting Mission Area Responsibilities in Memorandum signed by Chairman Joint Chief of Staff (CJSC), 8 September 21, 2004 identifies the five Warfighter Domains; Battlespace Awareness, Force Application, Protection, Focused Logistics and Battlespace Communications Systems, Army Battle Command which is to integrate warfighting capability and business processes for the conduct of combat and contingency operations. The Commander, TRADOC is the functional proponent for Army Battle Command and is defining the Army Battle Command Operational Architecture.

e. Intelligence Mission Area.
G-2 efforts are directed toward developing and synchronizing intelligence resources for the National Foreign Intelligence Program and the Joint Military Intelligence Program. Providing actionable intelligence requires identifying, synchronizing, and tracking Intelligence, Surveillance, and Reconnaissance actions across multiple proponents.

f. Enterprise Information Environment (EIE).
A CIO/G-6 mission area, enables the Warfighting, Intelligence, and Business Domains by facilitating the availability of data and information wherever and whenever it is needed.

g. Transformation Governance Structure.
The Army will adopt the Transformation Governance Structure described in Table 3 to ensure focus on the right capabilities and to synchronize with OSD and the other Military Services. The Secretary of the Army established the AEIOO to provide top-level business transformation policy and guidance for the integration of enterprise solutions for the Army. AEIOO serves as the Army's primary link to BMMP and is a key resource to the Army and Domain Owners for plans, tools, and techniques to effectively accomplish business

transformation in support of the warfighter, and to facilitate implementation of this governance structure.

Table 1- 3
Army Transformation Governance Structure

	Membership	Responsibilities
Army Transformation Leadership Council	Executive - Secretary of the Army (Chair) • Advisory Mission Area Leads; ASA(FM&C), G-2, G-3, CIO/G-6	• Provide governance over Mission Areas • Establish framework for resolving issues from Mission Area Governance Boards • Ensure Army Enterprise integration and synchronization • Provide BMMP compliance oversight across Mission Areas
Business Mission Area Governance Boards	Mission Area Lead (Chair) • Army Domain Owners • G-8 (Representative) • CIO (Representative) • AEIOO (Representative)	• Provide governance over domains • Establish framework for resolving issues from Domain Governance Boards • Establish and oversee Portfolio Management process for Mission Area • Ensure cross-domain integration and synchronization • Provide BMMP compliance oversight across domains
Business Domain Governance Boards	Army Domain Owner (Chair) • Stakeholders (Army, MACOMs, and Agencies) • G-3, G-8 (Representative) • CIO (Representative)	• Provide governance structure within Domain • Establish and oversee Portfolio Management for Domain • Ensure enterprise solution is compliant with end-to-end process mapping and with BMMP requirements • Collaborate with OSD Domain counterparts • Collaborate with other domain owners for integrated and synchronized Enterprise solutions

1-5. Policy

It is Army policy that:

a. Army Mission Areas will develop and implement strategies, policies, and procedures that ensure they operate as "One Army, One Enterprise."
b. Enterprise transformation governance will use and/or be integrated with existing DoD and Army management and decision-making processes to the maximum extent possible to minimize added management burden.
c. The governance structure will focus on the these capabilities to perform Army missions and to ensure synchronization with OSD, other Military Services and coalition partners.
d. Business transformation is governed by a federated structure that incorporates stakeholder unique requirements and focuses priorities, activities, and decisions on support to the warfighter.
e. Army business processes align with and support the achievement of Army transformation goals and objectives.
f. Army Domain Owners, staff principals, and heads of the MACOM's and subordinate activities use a common framework to guide transformation planning and activities.

1-6. Responsibilities

a. Secretary of the Army.

(1) Establish and chair an Army Transformation Leadership Council whose members are the leads of the Army Mission Areas.

(2) Provide strategic direction for the Army's Campaign Plan (ACP) and Transformation Road Map to build centric organizations that are more modular, standardized, and flexible and will provide a more relevant and ready force.

(3) Provide guidance to AEIOO.

b. Director, Army Enterprise Integration Oversight Office.

(1) Will establish and maintain a governance structure that implements Army business transformation and advocates end-to-end solutions that enhance warfighting capability.

(2) Ensure Army business transformation is aligned with BMMP and warfighting transformation while improving support to current operational requirements.

(3) Measure business transformation progress with specific performance measures that highlight the direct relationships among warfighting and business operations and support the ACP.

(4) Serve as the Army's primary liaison with BMMP.

(5) Provide support to the Army Transformation Leadership Council.

(6) Establish and maintain a framework through which the Army will plan and execute business transformation.

(7) Facilitate coordination between CIO/G-6 and the Business Domains for developing Domain architectures and ensure the architectures are consistent with DoD and Army architectures.
(8) Facilitate coordination with TRADOC to ensure synchronization of Domain transformation efforts with Army doctrine.
(9) Coordinate with G-3, G-8/PA&E, and the Business Domains to ensure the Army Domain portfolio comprises the capabilities, programs, and budgets required to achieve Army transformation goals and objectives.
(10) Support the Mission Area Leads and Domain Owners in developing processes for managing Domain portfolios.
(11) Develop and implement a methodology for programs/initiatives to perform reviews and that demonstrate compliance with BMMP, the BEA, and other governing architectures.
(12) Develop and implement an Army-wide Enterprise change management and communications strategy that is consistent with BMMP and the ACP.
(13) Monitor execution of enterprise transformation activities within the Army and DoD.

c. Assistant Secretary of the Army, Financial Management and Comptroller (ASA(FM&C)).

(1) Will lead the Army Business Mission Area and represent the Mission Area on the Army Transformation Leadership Council.

(a) Develop the Army Business Mission Area mission, vision, goals and objectives, and strategy.
(b) Establish and execute a Mission Area management structure to govern the transformation of the Business Mission Area to support the ACP.
(c) Establish and monitor Business Mission Area performance measures and metrics to gauge the support to warfighters and the implementation of Army enterprise business transformation.
(d) Approve the business transformation framework for use by the Domains for accomplishing business transformation.
(e) Develop and implement a comprehensive change management strategy and plan for the Business Mission Area.
(f) As part of the coordination process associated with statutory compliance, review and endorse recommendations for approval for annual expenditures submitted from all Business Domains in excess of $1M for new and legacy financial systems/initiatives or non-financial feeder systems/initiatives (i.e., systems that interface with financial systems).
(g) Within the Business Mission Area, ensure Domain Owners obtain all required OSD/Army system/initiative approvals, e.g., BEA System Compliance, Acquisition Milestone Decisions, CIO compliance approval with regards to Public Law 104-106, Information Technology Reformed Act, 1996 (Clinger-Cohen Act).

(2) Establish and chair the Business Mission Area Governance Board whose members are the leads (owners) of the Army Business Domains to oversee the transformation of the Army Business Mission Area.
(3) Guide the development of the Army BEA by coordinating the efforts of the Business Domains with technical assistance from the CIO/G-6.
(4) As the Army Comptroller, and as part of the coordination process associated with statutory compliance, review and endorse recommendations for approval for all annual expenditures submitted from all Mission Areas in excess of $1M for new and legacy financial systems/initiatives or no financial feeder systems/initiatives (i.e., systems that interface with financial systems).

d. Assistant Secretary of the Army, Acquisition, Logistics, and Technology (ASA(ALT).
(1) Will as domain owner for Acquisition and Logistics, will be responsible to require Program Executive Offices (PEOs) and program managers (PM) to adopt and use the appropriate Domain mission, strategy, architectures, data strategy and business rules from Domain owners in their acquisition process as outlined in AR 70 -1.
(2) Facilitate coordination between PEOs, PMs, G-3, CIO/G-6, Domains, and TRADOC to ensure the Army enterprise, domain and battle command architectures reflect knowledge gained in the acquisition process.

e. The G-2.
(1) Will lead the Army portion of the National Intelligence Mission Area and represent the Mission Areas and the Army Transformation Leadership Council.
(2) Establish and chair the Intelligence Mission Area Governance Board whose members consist of the leads of the Army Intelligence Domains.
(3) Approve and monitor performance metrics within the Intelligence Mission Area.

f. The G-3.
(1) Will lead the Army Warfighter Mission Area (WMA) and represent the Mission Area on the Army Transformation Leadership Council.
(2) Establish and chair the WMA Governance Board whose members consist of the leads of the Army Warfighting Domains.
(3) Represent the Warfighter on all Army Mission Area Governance Boards.
(4) Coordinate with Commander, TRADOC and CIO/G-6 for the development of battle command processes and architecture.
(5) Establish priorities for transformation of business capabilities in support of the ACP, designating the business operations that are most critical to battle command.

(6) Approve and monitor performance metrics within the WMA.

g. The CIO/G-6.

(1) Will lead the Army Enterprise Information Environment (EIE) Mission Area and represent the Mission Area on the Army Transformation Leadership Council.
(2) Establish and chair the EIE Mission Area governance board.
(3) Approve and monitor performance metrics within the EIE Mission Area.
(4) Provide expertise to all Army Mission Area Governance Boards in the area of technical infrastructure.
(5) Support enterprise transformation and architecture development and integration through membership on OSD, Army, and Domain governance boards to provide technical expertise and ensure integration with the Army Enterprise Architecture (AEA).
(6) Facilitate and integrate Domain architectures into the AEA.
(7) In coordination with Army Comptroller, will provide guidance, facilitate, and integrate the Army's IT portfolio, including preparing submission of IT budget exhibits.
(8) Oversee of performance of the missions and functions of records management as outlined in Chapter 8 of Army Regulation (AR) 25-1.

h. The G-8/PAED.

(1) While operating as a Domain Executive, support the execution of all domain owner responsibilities.
(2) Provide technical expertise to the Army Transformation Leadership Council and the Mission Area Governance Boards regarding budget formulation and performance measurement of Business Domain support to warfighter capability.
(3) Develop oversight and review procedures to ensure that analyses of alternatives, economic analyses, cost analyses, and business cases are performed and contain sufficient analytical rigor to support effective portfolio management.
(4) Ensure that the proper balance between enterprise transformation and support to current operations is maintained in the Program, Planning, Budget and Execution (PPB&E) process.

i. Army Mission Area Leads (Business, Warfighter, Intelligence, and EIE.

(1) Will ensure that the proper balance between enterprise transformation and support to current operations is maintained in the PPB&E process
(2) Ensure cross-domain integration of transformation goals, objectives, strategies, and transformation execution activities. These responsibilities are further segmented into Domains within Table 1-1.
(3) Ensure Domains comply with all statutory requirements such as the Clinger-Cohen Act, the BMMP, and Deputy Secretary of the Army (DepSecDef) Information Technology Portfolio Management, 22 March 2004.

(a) Ensure that compliance with statutory requirements is accomplished at acquisition milestones for all programs/initiatives initiated by the Mission Area.
(b) Ensure Under Secretary of Defense, Comptroller USD(C) certification is accomplished for all transformation programs/initiatives initiated by the Mission Area.
(c) Participate on Army Transformation Leadership Council.

j. Army Domain (Business, Warfighter, Intelligence, and EIE) Owners.

(1) Will develop Domain mission, vision, goals, objectives, strategies, architectures, and performance measures that gauge both support to the ACP and accomplishment of enterprise and business transformation:

(a) Analyze gaps in warfighting support and redundancies in processes and solutions.
(b) Use modeling and simulation of processes to guide strategy, architecture development, and validate solutions.

(2) Develop and execute a Domain governance structure consistent with the Army and DoD structure (as outlined in Table 1):

(a) Establish a Domain transformation governance board.
(b) Represent the Domain on the Mission Area Governance Board.
(c) Develop appropriate plans and charter(s) to establish roles and responsibilities within the Domain that are consistent with those outlined in this policy memo.
(d) Establish, monitor, and report Domain transformation performance metrics that are linked to the Domain and the Army's business strategy.
(e) Ensure the Domain governance structure enables OSD Domain, BMMP, HQDA, MACOM, and field activity requirements to be addressed in Domain transformation activities and oversee their activities.
(f) Represent the Domain at Army and OSD transformation and functional governance boards and forums.

(3) Develop and implement Domain-specific change management and communications strategies and plans to communicate and institutionalize transformed processes.

(4) Develop and maintain the Domain strategy, architecture products, process modeling, data strategy and transition plans consistent with the approved Mission Area transformation framework:

(a) Ensure Domain business processes are consistent with governing architectures and plans, e.g. BEA, Army Battle Command Architecture.
(b) Identify opportunities for efficiency and consolidation via cross-Domain coordination and integration.
(c) Ensure interoperability within the Domain and among other Domains.
(d) Develop and maintain Domain transition strategies, plans, priorities, and resource requirements and maintain a Domain transition plan that implements end-to-end solutions.
(e) Work concurrently through Mission Area Lead, Army Chief Financial Officer (CFO), and OSD Domain counterpart(s) to obtain all required system/project approvals, e.g., BEA System Compliance, Acquisition Milestone Decisions, USD(C) Certification.

(5) Maintain a Domain portfolio and establish portfolio management processes consistent with the approved Mission Area transformation framework:
(a) Manage IT investments as portfolios, making investment decisions based on integrated architecture, Mission Area and Domain goals, risk/return assessment, and performance.
(b) Perform analyses linking Domain goals to Army and DoD enterprise vision, goals, objectives, priorities, and capabilities.
(c) Select the best mix of investments to achieve goals and plans.
(d) Control portfolio and individual projects to ensure acquisition is accomplished in accordance with cost, schedule, performance, and risk baselines, as well as statutory and documented technical criteria.
(e) Evaluate portfolio on a recurring (at least annual) and systematic basis to assess and measure actual contributions of the portfolio, and adjust the mix of portfolio projects as necessary.
(f) Establish and monitor capability targets that demonstrate portfolio performance and consolidation.
(g) Review and approve program/initiative cost estimates, analyses of alternatives, economic analyses, business cases analyses, and budgets to perform effective portfolio management and to ensure funds are appropriately allocated to meet Domain and Army enterprise objectives.
(h) Review and provide recommendations to OSD Domain Owners.

(6) Guide, monitor, and ensure appropriate resourcing for implementation of transformation activities and initiatives within the Domain and ensure compliance with all applicable statutory requirements:
(a) Represent and defend programs within PPB&E process.

(b) Ensure that PEO and PM are executing assigned programs in a manner consistent with the Domain strategy and the Mission Area transformation framework.
(c) Designate functional proponents/sponsors.
(d) Provide subject matter expertise to develop business rules for architectures used in transformation and by the PEOs, PMs for systems acquisition.
(e) Develop and communicate execution guidance and training plans.
(f) Review and provide recommendations to OSD Domain Owners for any annual expenditure in the Domain in excess of $1M for new and legacy financial systems/initiatives or no financial feeder systems/initiatives (i.e., systems that interface with financial systems), completing requirements for USD(C) approval/certification when needed.
(g) Develop metrics for assessing and mitigating risks both in ongoing business operations support to warfighting and in accomplishing business transformation.
(h) Monitor results of evaluations (development and operational evaluation, and independent verification and validation) to ensure that implementation efforts are yielding the intended results.
(i) Monitor performance measures to track execution and risk.
(j) Ensure compliance with DoD and Army directives and guidance.
(k) Report progress of programs/initiatives across the Domain.

k. MACOM's

All MACOMs and Subordinate Activities are obligated to forward requirements thru Domain Executives.

l. Principal HQDA Officials and Subordinate Activities.

In addition to the specific responsibilities outlined above, within their respective areas of functional and process proponency, principal HQDA officials and their FOAs will:

(1) Participate in enterprise transformation and oversight processes.
(2) Provide support to Domain Owners as required to meet Army goals.
(3) Participate collectively with other Army stakeholders in the portfolio management process.

1-7. *Effective Date.*

This policy is effective immediately.

Glossary

Section 1 - Abbreviations

ACP
Army Campaign Plan

ACSIM
Assistant Chief of Staff for Installation Management

AEA
Army Enterprise Architecture

AEIOO
Army Enterprise Integration Oversight Office

ARNG
Army National Guard

AR
Army Regulation

ASA(FM&C)
Assistant Secretary of the Army (Financia Management and Comptroller)

ASA(ALT)
Assistant Secretary of the Army (Acquisition, Logistics and Technology)

ASD(I&E)
Assistant Secretary of the Army for Installations and Environment

ASD(M&RA)
Assistant Secretary of the Army for Manpower and Reserve Affairs

ASD(NII)
Assistant Secretary of Defense (Networks and Information Integration)

BEA
Business Enterprise Architecture

BMMP
Business Management Modernization Program

CFO
Chief Financial Officer

CIO
Chief Information Officer
CIO/G-6
Chief Information Officer

CJCS
Chairman Joint Chiefs of Staff

DoD
Department of Defense

DepSecDef
Deputy Secretary of Defense

EIE
Enterprise Information Environment

FOA
Field Operating Agency

G-1
Deputy Chief of Staff for Personnel Services

G-2
Deputy Chief of Staff fro Intelligence

G-4
Deputy Chief of Staff for Logistics

G-8
Deputy Chief of Staff,

HQDA
Headquarters Department of the Army

IT
Information Technology

J-2
Joint Staff for Intelligence

J-4
Joint Staff for Logistics

J-6
Joint Staff for Command, Control, Communications & Computer Systems

J-8
Joint Staff for Force Structure, Resources & Assessment

MACOM
Major Army Command

MA
Mission Area

OSD
Office of the Secretary of Defense

OSD(C)
Office of the Secretary of Defense, Comptroller

PEO
Program Executive Office

PM
Program Manager

PPB&E
Planning, Programming, Budgeting and Execution

TRADOC
Training and Doctrine Command

SAAL-ZR
Secretary of the Army

USD(AT&L))
Under Secretary of Defense (Acquisition, Technology, & Logistics)

USD(C)
Under Secretary of Defense (Comptroller)

USD(C)/CFO
Under Secretary of Defense (Comptroller)/Chief Financial Officer

USD(I)
Under Secretary of Defense (Intelligence)

USD(P&R)
Under Secretary of Defense (Personnel and Readiness)

WMA
Warfighter Mission Area

Appendix A – References

Section I - Required Publications

(1) Public Law 104-106, Information Technology Reformed Act, 1996 (Clinger-Cohen Act) (Page 11)

(2) DepSecDef Memorandum, Information Technology Portfolio Management, 22 March 2004 (page 13)

(3) CJCSI 3170.01C, Joint Capabilities Integration and Development System, 24 June 2003 (page 8)

(4) Army Campaign Plan, 12 April 2004 (page 10)

(5) AR 25-1, Information Management, 31 May 2002 (page 6)

(6) AR 70-1, Army Acquisition Policy, 31 December 2003 (page 12)

(7) Management Initiative Decision 918R, Information Technology (IT) Portfolio Governance and Management, 23 April 2004 (DRAFT) (page 5)

Section II - Related Publications

(1) National Defense Appropriations Act for Fiscal Year 2005 (PL 108-287, Sec 8083)

(2) DoD Transformation Planning Guidance, April 2003

(3) Joint Chief of Staff Memorandum, Assignment of Warfighting Mission Area Responsibilities to Support Global Information Grid Enterprise Services, 8 September 2004.

(4) AR 1-1, Planning, Programming, Budgeting and Execution System, 1 January 1994

(5) Army Enterprise Integration Oversight Office Charter, 16 April 2003

(6) BMMP System Compliance Certification Process, Draft, 18 May 2004

(7) Program Budget Decision 708, Business Systems Transformation, 9 December 2003

BEA Certification:
System certifications: are required prior to each Milestone Decision and / or Full Rate Production decision:

a. Must existing systems in sustainment, that are post-IOC or FOC, be *certified?*

Response:

Yes, if spending more than $1m dollars on a system improvement.

b. What is the reference that addresses this issue?

Response:

Defense Appropriations Act of 2004, Public Law 108-87, Section 8084(b) (1); Defense Authorization Act of 2004, Public Law 108-32; Defense Authorization Act of 2003, Public Law 107-314, Section 1004(d); Comptroller's July 16, 2004 memorandum, BMMP-System Investment Approval.

Section III - Prescribed Forms

This section contains no entries.

Section IV - Referenced Forms

This section contains no entries.

Appendix B - Terms

Application (financial or mixed system) (OMB Circular A-127, Financial Management Systems (07/23/1993). A group of interrelated components of financial or mixed systems which supports one or more functions and has the following characteristics:

- common data base
- common data element definitions
- standardized processing for similar types of transactions
- common version control over software

Army Battle Command (Army Transformation Roadmap, Chapter 2, November 2003). Battle command is the art and science of applying leadership and decision making to achieve mission success. Battle command encompasses the functions of leadership (providing purpose, motivation, and direction) and decision-making. Enabled by command, control, communications, and computers (C4) and intelligence, surveillance, and reconnaissance (ISR), battle command enhances the commander's ability to gain information and decision making advantages over any adversary. Fully networked battle command capabilities are the bridge from the Current to Future Forces and enable the Joint Force Commander (JFC) to conduct fully interdependent, network-centric warfare. The Army views battle command as the essential operational capability that fundamentally enables the conduct of future joint operations. To implement the Joint Operations Concepts (JOpsC) and Joint Operating Concepts (JOCs) and achieve decision superiority, the Future Joint Force will exercise battle command within an inherently joint, top-down network that provides common situational awareness.

Army Transformation (Army Transformation Roadmap, Chapter 1, November 2003). Transformation is a process that shapes the changing nature of military competition and cooperation through new combinations of concepts, capabilities, people, and organizations that exploit the Nation's advantages and protect against asymmetric vulnerabilities to sustain strategic position, which helps underpin peace and stability in the world. The Army will transform its culture, capabilities, and processes as an integral component of Defense Transformation. The Army frames transformation through the interaction of the continuously evolving capabilities of the Current to Future Force. The Current Force is today’s operational Army. The Future Force is the operational force the Army continuously seeks to become. The Army possesses and refines capabilities to enable the Current Force to conduct joint operations in the near term while it simultaneously develops transformational capabilities for the Future Force. Army Transformation leverages Current Force operational experience, the insights from innovative joint and Army concept development and experimentation processes, and science and technology to enhance the responsiveness, readiness, and capabilities of the Future Force.

Enterprise Integration. **(AEIOO Charter, 16 April, 2003).** The vertical and horizontal alignment of plans, business processes, and information systems across organizations and functional boundaries to provide competitive advantage.

Federated structure. A management and organizational construct that governs by virtue of a compact between the affected entities that surrender their individual sovereignty to a central authority but retain limited residual powers.

Financial system (OMB Circular A-127, Financial Management Systems (07/23/1993). An information system comprised of one or more applications that is used for any of the following:

- collecting, processing, maintaining, transmitting, and reporting data about financial events;
- supporting financial planning or budgeting activities;
- accumulating and reporting cost information; or
- supporting the preparation of financial statements.

A financial system supports the financial functions required to track financial events, provide financial information significant to the financial management of the agency, and/or required for the preparation of financial statements. A financial system encompasses automated and manual processes, procedures, controls, data, hardware, software, and support personnel dedicated to the operation and maintenance of system functions. A financial system may include multiple applications that are integrated through a common database or are electronically interfaced, as necessary, to meet defined data and processing requirements.

Financial Management System (OMB Circular A-127, Financial Management Systems (07/23/1993). The financial systems and the financial portions of mixed systems necessary to support financial management.

Governance (paraphrased from the BMMP website – Governance model page). Governance describes how and by whom business transformation will be implemented within the Army. Specifically, governance:

- Is a management vehicle designed to ensure efficient execution, guidance, and oversight for Army business transformation and compliance activities
- Is achieved through organizational structure and performance measurement, which define boundaries, authorities, responsibilities, and tasks

Information system (OMB Circular A-127, Financial Management Systems (07/23/1993). The organized collection, processing, transmission, and dissemination of information in accordance with defined procedures, whether automated or manual. Information systems include non- financial, financial, and mixed systems as defined in this document.

Mixed system (OMB Circular A-127, Financial Management Systems (07/23/1993). An information system that supports both financial and non-financial functions of the Federal government or components thereof.

Non-financial system (OMB Circular A-127, Financial Management Systems (07/23/1993). An information system that supports non-financial functions of the Federal government or components thereof and any financial data included in the system are insignificant to agency financial management and/or not required for the preparation of financial statements.

Portfolio Management. **"A Summary of First Practices and Lessons Learned in Information Technology Portfolio Management," Federal CIO Council Best Practices Committee, March 2002.** The processes, practices, and specific activities to perform continuous and consistent evaluation, prioritization, budgeting, and finally selection of investments that provide the greatest value and contribution to the strategic interest of the organization. Through portfolio management, the organization can explicitly assess the tradeoffs among competing investment opportunities in terms of their benefit, costs, and risks. Investment decisions can then be made based on a better understanding of what will be gained or lost through the inclusion or exclusion of certain investments.

Single, integrated financial management system (OMB Circular A-127, Financial Management Systems (07/23/1993). A unified set of financial systems and the financial portions of mixed systems encompassing the software, hardware, personnel, processes (manual and automated), procedures, controls and data necessary to carry out financial management functions, manage financial operations of the agency and report on the agency's financial status to central agencies, Congress and the public. Unified means that the systems are planned for and managed together, operated in an integrated fashion, and linked together electronically in an efficient and effective manner to provide agency-wide financial system support necessary to carry out the agency's mission and support the agency's financial management needs.

Appendix C - Special Abbreviations and Terms.

This section contains no entries.